

AUGUST 22, 2016

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON AUGUST 22, 2016, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818 ON THE MINERAL, SURFACE, DEVELOPMENT, FEE WAIVERS, AND TRUST ACCOUNTING BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 5:00 P.M. ON AUGUST 22, 2016.

THESE MINUTES INCLUDES MINERAL ACTIONS AS LISTED ON PAGES 1 TO 6; SURFACE ACTIONS AS LISTED ON PAGES 6 TO 16; DEVELOPMENT ACTIONS AS LISTED ON PAGES 17 TO 19; ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 19; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGE 19.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS. FINAL ACTIONS TO LEASE, SELL, OR EXCHANGE SPECIFIC REAL PROPERTY ARE NOT SUBJECT TO ADMINISTRATIVE REVIEW PURSUANT TO UTAH CODE ANN. 53C-1-304(2)(b). FOR THOSE AGENCY ACTIONS THAT MAY BE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES, ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 5:00 P.M. ON TUESDAY, SEPTEMBER 6, 2016. APPEALS NOT FILED BY THAT TIME WILL NOT BE ACCEPTED AND THE MATTERS WILL BE CONSIDERED UNAPPEALABLE.



DAVID URE, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION



TONYA MORTENSEN, RECORDS SPECIALIST

MINERAL ACTIONS

APPROVAL OF MINERAL MATERIALS PERMIT NO. 53391 – GRANITE LANDSCAPE ROCK

APPLICANT:

Certified Materials LC
P.O. Box 95245
South Jordan, UT 84095

LANDS AFFECTED:

Township 12 South, Range 7 West, SLB&M
Section 36: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$

COUNTY: Juab

ACRES: 70.00

FUND: SCH

PROPOSED ACTION:

This application has been received for a Mineral Materials Permit for building stone. The applicant proposes to mine granite boulders and rip-rap located on the property and to market the material for landscape purposes and other uses. A mining permit from the Division of Oil, Gas, and Mining is required prior to making any surface disturbances on the subject lands. The applicant agrees to pay a royalty of:

- 10% gross or \$5 per short ton, whichever is greater for boulders
- 10% gross or \$2 per short ton, whichever is greater for rip-rap and landscape aggregate

The royalty rates will be adjustable after the second year of the lease term. The annual rental is \$10 per acre. The lease administrator has had this legal description reviewed by the GIS Group.

Upon recommendation of Mr. Andy Bedingfield, the Director approved the issuance of Mineral Materials Permit No. 53391 for a five (5) year term beginning September 1, 2016 and expiring August 31, 2021. The application fee of \$100 and the annual rental of \$700 have been submitted.

APPROVAL ML 53393 – METALLIFEROUS MINERALS LEASE

The following-described Metalliferous Minerals Lease application has been received at a minimum annual rental rate of \$500 per lease or \$1 per acre, whichever is greater. The production royalty is 8% for fissionable minerals and 4% for non-fissionable minerals, based on the gross value of the ore. The land status has been examined utilizing both the digital plats and the Business System and the lands were found to be open and available. The application has been checked for completeness, and found to be in proper order. The lease administrator has had this legal description reviewed by the GIS Group. The Business System and digital plats will be updated to show the lease application as an existing contract on the lands described below:

ML 53393
Kimmerle Mining, LLC
2056 Simpatica Ct.
Moab, UT 84532

T29S, R23E, SLB&M
Sec. 2: Lots 1(39.88), 2(39.96), 3(40.04),
4(40.12), S2N2, SE4

San Juan
480.00 acres

APPROVAL ML 53393 – METALLIFEROUS MINERALS LEASE (CONTINUED)

FUND: SCH

Annual Rental: \$500

Upon recommendation of Mr. Jerry Mansfield, the Director approved the lease application as outlined above.

APPROVAL – ML 53394 METALLIFEROUS MINERALS LEASE

The following-described Metalliferous Minerals Lease application has been received at a minimum annual rental rate of \$500 per lease or \$1 per acre, whichever is greater. The production royalty is 8% for fissionable minerals and 4% for non-fissionable minerals, based on the gross value of the ore. The land status has been examined utilizing both the digital plats and the Business System and the lands were found to be open and available. The application has been checked for completeness, and found to be in proper order. The lease administrator has had this legal description reviewed by the GIS Group. The Business System and digital plats will be updated to show the lease application as an existing contract on the lands described below:

ML 53394

Kimmerle Mining, LLC
2056 Simpatica Ct.
Moab, UT 84532

T29S, R25E, SLB&M

Sec. 2: Lots 1(40.18), 2(40.22), 3(40.26),
4(40.30), S2N2, S2 [All]

San Juan
640.96 acres

FUND: SCH

Annual Rental: \$641

APPROVAL – ML 53395 METALLIFEROUS MINERALS LEASE

The following-described Metalliferous Minerals Lease application has been received at a minimum annual rental rate of \$500 per lease or \$1 per acre, whichever is greater. The production royalty is 8% for fissionable minerals and 4% for non-fissionable minerals, based on the gross value of the ore. The land status has been examined utilizing both the digital plats and the Business System and the lands were found to be open and available. The application has been checked for completeness, and found to be in proper order. The lease administrator has had this legal description reviewed by the GIS Group. The Business System and digital plats will be updated to show the lease application as an existing contract on the lands described below:

ML 53395

Kimmerle Mining, LLC
2056 Simpatica Ct.
Moab, UT 84532

T30S, R24E, SLB&M

Sec. 2: Lots 3(39.93), 4(40.10), S2NW4, S2

San Juan
480.03 acres

FUND: SCH

Annual Rental: \$500

APPROVAL – ML 53396 METALLIFEROUS MINERALS LEASE

The following-described Metalliferous Minerals Lease application has been received at a minimum annual rental rate of \$500 per lease or \$1 per acre, whichever is greater. The production royalty is 8% for fissionable minerals and 4% for non-fissionable minerals, based on the gross value of the ore. The land status has been examined utilizing both the digital plats and the Business System and the lands were found to be open and available. The application has been checked for completeness, and found to be in proper order. The lease administrator has had this legal description reviewed by the GIS Group. The Business System and digital plats will be updated to show the lease application as an existing contract on the lands described below:

ML 53396

Kyle Kimmerle & Mike Thompson
2056 Simpatica Ct.
Moab, UT 84532

T32S, R26E, SLB&M

Sec. 16: N2, SW4

San Juan
480.00 acres

FUND: SCH

Annual Rental: \$500

CORRECTION OF DIRECTOR'S ACTIONS OF JULY 11, 2016 – ML 52039, ML 52040, AND ML 52041 – OIL, GAS, AND ASSOCIATED HYDROCARBONS (SCH, SM)

On the Director's Actions of July 11, 2016, page 4-5, the above-numbered leases were listed with MS as the beneficiary. The leases and beneficiaries should have been listed as follows: **ML 52039 (SCH), ML 52040 (SM), ML 52041 (SM).**

Upon recommendation of Ms. LaVonne J. Garrison, the Director approved the above-listed correction.

RECORD TITLE ASSIGNMENTS – OIL, GAS, AND ASSOCIATED HYDROCARBONS LEASES

A record title assignment has been submitted for 100% 8/8 interest in record title in and to the leases listed below to WEM Dragon, LLC, 1411 E. 840 N., Orem, UT 84097, by Kerr-McGee Oil & Gas Onshore LP. No override reserved.

....ML 52372 (SCH)....ML 52373 (SCH)....ML 52479 (SCH)....ML 52482 (SCH)....ML 52785 (SCH)....
....ML 52786 (SCH)....

Upon recommendation of Ms. LaVonne Garrison, the Director approved the above-listed record title assignment.

A record title assignment has been submitted for 50% interest in record title in and to the lease listed below to Crescent Point Energy U.S. Corp., 555 17th Street, Suite 1800, Denver, CO 80202, by Ute Energy Upstream Holdings, LLC. No override reserved.

....ML 52042 (SCH)....

Upon recommendation of Ms. LaVonne Garrison, the Director approved the above-listed record title assignment.

**RECORD TITLE ASSIGNMENTS – OIL, GAS, AND ASSOCIATED HYDROCARBONS LEASES
(CONTINUED)**

A record title assignment has been submitted for 50% interest in record title in and to the lease listed below to Bill Barrett Corporation, 1099 18th Street, Suite 2300, Denver, CO 80202, by Crescent Point Energy U.S. Corp. No override reserved.

....ML 52042 (SCH)....

Upon recommendation of Ms. LaVonne Garrison, the Director approved the above-listed record title assignment.

A record title assignment has been submitted for 100% 8/8 interest in record title in and to the lease listed below to RIG II, LLC, 1582 West 2600 South, Woods Cross, UT 84087, by Bill Barrett Corporation. No override reserved.

....ML 52042 (SCH)....

Upon recommendation of Ms. LaVonne Garrison, the Director approved the above-listed record title assignment.

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

An operating rights assignment has been submitted for .02592310% interest in operating rights in part of lands: N2N2, SE4NW4, SW4NE4, SEC. 2, of T9S, R16E, SLB&M, totaling 240.72 acres, in and to the lease listed below to Avalon Royalty, LLC, P.O. Box 11373, Midland, TX 79702, by Front Range Resources, Inc. No override reserved, but subject to overriding royalties as previously reserved. Effective June 1, 2004, the School and Institutional Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

....ML 21839 (SCH)....

Upon recommendation of Ms. LaVonne Garrison, the Director approved the above-listed operating rights assignment.

An operating rights assignment has been submitted for .02592310% interest in operating rights in part of lands: W2W2, SE4NW4, NE4SW4, SEC. 36, of T8S, R16E, SLB&M, totaling 240.00 acres, in and to the lease listed below to Avalon Royalty, LLC, P.O. Box 11373, Midland, TX 79702, by Front Range Resources, Inc. No override reserved, but subject to overriding royalties as previously reserved. Effective June 1, 2004, the School and Institutional Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

....ML 22061 (SCH)....

Upon recommendation of Ms. LaVonne Garrison, the Director approved the above-listed operating rights assignment.

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

An operating rights assignment has been submitted for the interests below in operating rights in part of lands: Surface to the Base of Green River SEC. 32, of T8S, R17E, SLB&M, in and to the lease listed below to Avalon Royalty LLC, P.O. Box 11373, Midland, TX 79702, by Front Range Resources, Inc. No override reserved, but subject to overriding royalties as previously reserved. Effective June 1, 2004, the School and Institutional Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

LOTS 1, 2, (NW4NW4)	28.34 ACRES:	0.66051985%
LOT 3 (SW4NW4)	32.71 ACRES:	0.6855262%
LOTS 4, 5 (SE4NW4)	34.88 ACRES:	0.71105135%
LOT 6 (NE4SW4)	34.71 ACRES:	0.7781925%
LOTS 7, 8, 10, 11, (W2SE4), SE4SW	110.77 ACRES:	0.6656925%
LOT9 (SE4SE4)	37.26 ACRES:	0.6656925%
NE4NW4	40.00 ACRES:	1.55638505%
NW4SW4	40.00 ACRES:	0.6656925%
SW4NE4, NE4NE4, SW4SW4	120.00 ACRES:	0.7781925%
NE4SE4	40.00 ACRES:	0.6656925%
SE4NE4, NW4NE4	80.00 ACRES:	0.6656925%

....ML 22060 (SCH)....

Upon recommendation of Ms. LaVonne Garrison, the Director approved the above-listed operating rights assignment.

AMENDMENT OF OIL, GAS AND HYDROCARBON LEASE – ML 52042 (SCH)

The School and Institutional Trust Lands Administration ("SITLA") has granted an amendment to RIG II, LLC, 1582 West 2600 South, Woods Cross, UT 84087, lessee of the above-numbered lease, as listed below:

1. Primary lease term is extended for 90 days. The lease will now expire on December 1, 2016 unless production in paying quantities is obtained.
2. As consideration for the amendment, RIG II, LLC will pay SITLA a bonus payment of \$5,000.

Upon recommendation of Ms. LaVonne Garrison, the Director approved the amendment as outlined above.

ACCEPTANCE OF \$15,000 CASH – SURETY TO COVER STATEWIDE OIL & GAS OPERATIONS (ALL)

National Fuel Corporation, P.O. Box 4892, Parker, CO 80134, has submitted a cash deposit in the amount of \$15,000 (Receipt No. SL102013) as surety to cover their statewide oil & gas exploration and development operations.

Upon recommendation of Mr. Ed Bonner, the Director accepted the \$15,000 cash deposit from National Fuel Corporation.

RELEASE OF STATEWIDE BOND OF LESSEE – OIL, GAS, AND ASSOCIATED HYDROCARBONS (ALL)

On December 20, 2000, the Director accepted an \$80,000 State of Utah Statewide Bond of Lessee, Bond No. LPM4127314 from National Fuel Corporation with Fidelity and Deposit Company of Maryland, Attn.: Lindy Serio, Zurich Commercial Surety, Suite 2100, 300 S. Riverside Plaza, Chicago, IL 60606, as surety to cover their statewide oil and gas exploration and development operations. A surety rider was later accepted reducing the bond amount to \$15,000.

National Fuel Corporation, P.O. Box 4892, Parker, CO 80134, has requested release of Bond No. LPM4127314 as they have submitted a cash deposit in the amount of \$15,000 (Receipt No. SL102013) as surety to cover their statewide oil & gas exploration and development operations.

Upon recommendation of Mr. Ed Bonner, the Director released Statewide Bond of Lessee Bond No. LPM4127314.

TERMINATION OF ML 28195 – OIL, GAS & HYDROCARBON (SCH)

With the plugging and abandonment of the Coastal Plains Energy, Inc. Ferron State 4-36-18-7 well (API 43 015 30253) on May 7, 2016, the above-numbered lease terminated effective the same date.

Upon recommendation of Mr. Ed Bonner, the Director approved the above-listed termination.

S U R F A C E A C T I O N S

RIGHTS OF ENTRY

RIGHT OF ENTRY NO. 6337 (CORRECTION OF DIRECTOR'S ACTIONS DATED JUNE 20, 2016)

On the Director's Actions dated June 20, 2016, page 12, the Director approved Right of Entry Permit No. 6337 (ROE 6337). ROE 6337 was issued effective May 15, 2016 to US Oil Sands (Utah), Inc., 521 3rd Avenue SW, Suite 1600, Calgary, AB, CANADA, T2P 3T3, for the purpose of operating a temporary man camp location. Uintah County. School Fund.

The Director's Actions incorrectly listed the legal description of the permit as:

Township 15 South, Range 23 East, SLB&M
Section 27: 4.02 acres within the NW¹/₄NW¹/₄

The actions should be corrected to list the legal description as:

Township 15 South, Range 23 East, SLB&M
Section 27: 4.02 acres within the N¹/₂NW¹/₄

Upon recommendation of Mr. Chris Fausett, the Director approved the above correction to the Director's Actions dated June 20, 2016.

EASEMENTS

EASEMENT NO. 2076 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

Aurora Gathering, LLC
1099 18th Street, Suite 2300
Denver, CO 80202

LEGAL DESCRIPTION:

Pipeline Corridor A:

Township 7 South, Range 20 East, SLB&M

Section 2: W $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, Lots 2 & 3 (Within)

A 30-foot wide right of way, 15 feet on each side of the following-described centerline.

Beginning at a point on the West line of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 2, T7S, R20E, S.L.B.&M. which bears N00°20'33"W 1305.52' from the Southwest Corner of said Section 2, thence N42°11'30"E 460.86'; thence N73°49'17"E 477.99'; thence N57°06'56"E 1055.63'; thence N38°43'03"E 189.32'; thence N20°55'49"E 442.75'; thence N24°21'23"E 747.20'; thence N21°05'30"E 243.97'; thence N31°18'33"E 1250.80'; thence N50°15'56"E 564.05'; thence N79°28'40"E 562.98' to a point on the North line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 2 which bears N89°49'46"W 38.10' from the Northeast Corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 2. The side lines of said-described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 4.129 acres more or less.

Township 6 South, Range 20 East, SLB&M

Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$ (Within)

A 30-foot wide right of way, 15 feet on each side of the following-described centerline.

Beginning at a point on the West line of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 36, T6S, R20E, S.L.B.&M. which bears N00°00'12"E 208.29 feet from the Southwest Corner of said Section 36, thence N88°32'27"E 870.06 feet; thence N01°26'51"W 165.95 feet to a point of terminus. Basis of bearings is a G.P.S. observation. Contains 0.71 acre more or less.

Pipeline Corridor B:

Township 6 South, Range 20 East, SLB&M

Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$ (Within)

A 30-foot wide right of way, 15 feet on each side of the following-described centerline.

Beginning at a point on the East line of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, T6S, R20E, S.L.B.&M. which bears N00°28'20"W 491.74 feet from the Southeast Corner of said Section 36, thence S88°35'07"W 4470.81 feet to a point of terminus. Basis of bearings is a G.P.S. observation. Contains 3.079 acres more or less.

EASEMENT NO. 2076 (APPROVAL) (CONTINUED)

Township 6 South, Range 21 East, SLB&M
Section 32: S½NE¼, SE¼NW¼ (Within)

A 30-foot wide right of way, 15 feet on each side of the following-described centerline.

Beginning at a point on the South line of the SE ¼ NW ¼ of Section 32, T6S, R21E, S.L.B.&M. which bears S16°37'55"W 2786.12 feet from the North ¼ Corner of said section 21, thence N00°42'55"E 74.96 feet; thence N88°42'57"E 2552.43 feet; thence N61°48'26"E 66.09 feet; thence N48°00'06"E 61.95 feet; thence N34°12'05"E 161.21 feet; thence N39°36'33"E 186.60 feet; thence N55°49'40"E 61.23 feet; thence N66°02'48"E 199.70 feet; thence N65°13'54"E 260.77 feet; thence N81°30'43"E 117.37 feet to a point on the East line of the SE ¼ NE ¼ of said Section 32 which bears N00°11'32"E 646.69 feet from the East ¼ Corner of said Section 32. The side lines of said-described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 2.577 acres more or less.

The easement administrator has had this legal description reviewed by the GIS Group.

COUNTY: Uintah

ACRES: 10.50

FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to operate, repair and maintain an existing gas pipeline. The existing pipeline is known as the Aurora Unit Pipeline and comprises two (2) segments: Pipeline A is an 8-inch natural gas pipeline, and Pipeline B is a 20-inch natural gas pipeline. The pipeline was originally authorized by ESMT 1013, which was cancelled for non-payment March 23, 2015. The applicant has now requested this easement to replace the cancelled ESMT 1013. The proposed easement is approximately 15,244.68-feet long and 30-feet wide, containing approximately 10.50 acres. The requested term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The subject "Application to Purchase an Easement" was received on May 27, 2016. It was submitted for Agency review on June 30, 2016, and was accepted by the Director on July 14, 2016.

Because the proposed easement is for an existing pipeline, it is exempt from further review by the Resource Development Coordinating Committee ("RDCC").

EVALUATION OF FACTS:

The Agency's archaeology staff has reviewed the proposed easement. Because the proposed easement is for an existing facility, and because no further ground disturbance is planned, a cultural resource survey is not required, and the easement has been cleared for cultural resources with a finding of "No Historic Properties Affected."

Upon recommendation of Mr. Scott Bartlett, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be 30 years beginning March 24, 2015, and expiring March 23, 2045. The application fee of \$750 and the easement rental assessment of \$22,034.36 have been submitted. Pursuant to R850-40-1800, an administrative fee will be assessed every three (3) years throughout the term of the easement, with the first payment being due January 1, 2019.

EASEMENT NO. 1685, AMENDMENT NO. 1 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

Ferus, LP
475 17th Street, Suite 420
Denver, CO 80202

PROPOSED ACTION:

Ferus, LP has requested an amendment to Easement No. 1685. The easement was originally issued effective May 24, 2012, expiring March 31, 2042, for an existing access road within Section 16, T15S, R12E, SLB&M. The applicant now wishes to amend the easement to allow for the installation of fiber optic lines, telephone lines and a 220-volt power supply line. The additional facilities would be buried within existing ground disturbance, within the road shoulder approximately 15 to 17 feet from the centerline of the existing access road. The easement corridor of approximately 1,384.46-feet long and 50-feet wide, containing approximately 1.59 acres, will remain as originally granted.

RELEVANT FACTUAL BACKGROUND:

Because the proposed improvements will be installed within the existing road disturbance, the proposed amendment is exempt from further review by the Resource Development Coordinating Committee ("RDCC").

EVALUATION OF FACTS:

The Agency's archaeology staff has reviewed the proposed amendment. Provided the applicant's project remains within the existing disturbed road, no cultural resource survey will be required. Any land disturbing activities (including such things as staging areas) outside that area will need to be surveyed.

Upon recommendation of Mr. Scott Bartlett, the Director approved the applicant's request for Amendment No. 1 to Easement No. 1685. The amendment fee of \$400 and the additional easement rental of \$251.72 have been submitted. The expiration of the easement remains March 31, 2042. Carbon County. School Fund.

RIGHT OF WAY NO. 117 (TRANSFER OF RIGHT OF WAY TO PRIVATE LANDOWNER)

Right of Way No. 117 was issued effective February 9, 1940, for a perpetual term, to the State Road Commission of Utah, for a highway. The legal description is as follows:

Township 42 South, Range 17 West, SLB&M
Section 1: Lot 5 (Within)

Right of way for highway known as FA Project No. 80-D across the grantor's land in Lot 5 of Section 1, T42S, R17W, SLB&M. Said right of way is contained within a parcel of land 100.0-feet wide, 50.0 feet on each side of the centerline of survey of said project. Said centerline is described as follows:

Beginning at the intersection of the North line of said Lot 5 and said centerline of survey at Engineer's Station 624+90, which point is 1336 feet South and 1789 feet East from the North ¼ Corner of said Section 1; thence S 46°08' E 1115.2 feet to a point of tangency with a 1°00' curve to the left; thence Southeasterly 126.8 feet along the arc of said curve to the intersection of said centerline of survey at Engineer's Station 637+32 and the East line of said Lot 5, which point is 2196 feet South and 2685 feet East from said North ¼ Corner of Section 1, as shown on the official map of said project on file in the office of the State Road Commission of Utah.

Also, all of that portion of Lot 5 in said Section 1 lying North and East of the above-described right of way, containing 7.35 acres of land, more or less.

Containing in all an area of 10.20 acres, more or less.

RIGHT OF WAY NO. 117 (TRANSFER OF RIGHT OF WAY TO PRIVATE LANDOWNER) (CONTINUED)

The easement administrator has had this legal description reviewed by the GIS Group.

The property underlying this right of way was subsequently sold to a private party (C-22825, July 16, 1942). Patent No. 17349 (March 28, 1951) was issued for the property. As there is no other property included in the right of way, and because the right of way runs with the land, records should be noted to show that administrative jurisdiction of this right of way has been transferred to the private landowner. Washington County. School Fund.

This item was submitted by Mr. Scott Bartlett for record-keeping purposes.

RIGHT OF WAY NO. 158 (TRANSFER OF RIGHT OF WAY TO PARKS AND RECREATION)

Right of Way No. 158 was issued effective July 31, 1940, for a perpetual term, to the State Road Commission of Utah, for a highway. The legal description is as follows:

Township 42 South, Range 16 West, SLB&M
Section 2: NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, Lots 2 & 3 (Within)

Right of way for highway known as FAS Project No. 24-B across the grantor's land in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2, T42S, R16W, SLB&M. Said right of way is contained within a parcel of land 200-feet wide, 100 feet on each side of the centerline of survey of said project. Said centerline is described as follows:

Beginning at the intersection of the East boundary line of said Section 2 and said centerline of survey at Engineer's Station 141+36, which point is 557 feet South along said East line of said Section 2 from the East $\frac{1}{4}$ Corner of said Section 2; thence N 68°17' W 848.6 feet to the point of tangency with a 5° curve to the right; thence Northwesterly 845 feet along the arc of said curve; thence N 26°02' W 511.2 feet to point of tangency with 2° curve to the left; thence Northwesterly 837.5 feet along the arc of said curve; thence N 42°47' W 697 feet to Engineer's Station POT 178+75.3 Back equals 178+62.5 Ahead; thence N 42°47' W 847 feet to the intersection of said centerline of survey at Engineer's Station 187+09.5 and the North boundary line of said Section 2, which point is 292 feet West along said North line of said Section 2, from the South $\frac{1}{4}$ Corner of Section 35, as shown on the official map of said project on file in the office of the State Road Commission of Utah. The above-described parcel of land contains 21.06 acres, of which 3.5 acres are now occupied by the existing highway. Balance 17.56 acres.

The easement administrator has had this legal description reviewed by the GIS Group.

The property underlying this right of way was subsequently sold to the Division of Parks and Recreation (C-25681, April 11, 2003; C-25673, May 14, 2003). Patent No. 19621 (April 25, 2003) and Patent No. 19626 (May 30, 2003) were issued for the property. As there is no other property included in the right of way, and because the right of way runs with the land, records should be noted to show that administrative jurisdiction of this right of way has been transferred to the Division of Parks and Recreation. Washington County. School Fund.

This item was submitted by Mr. Scott Bartlett for record-keeping purposes.

RIGHT OF WAY NO. 265 (TRANSFER OF EASEMENT TO PRIVATE LANDOWNER)

Right of Way No. 265 was issued effective January 28, 1948, for a perpetual term, to the Town of Blanding, for a water pipeline within the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 10, and the SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, T36S, R22E, SLB&M.

At the time the right of way was issued, the underlying property was under Certificate of Sale No. 22886 (May 6, 1943). The certificate was subsequently paid in full, and Patent No. 17992 (January 24, 1961) was issued for the property. As there is no other property included in the right of way, and because the right of way runs with the land, records should be noted to show that administrative jurisdiction of this right of way has been transferred to the private landowner. San Juan County. School Fund.

This item was submitted by Mr. Scott Bartlett for record-keeping purposes.

RIGHT OF WAY NO. 821 (TERMINATION OF RIGHT OF WAY BY MERGER OF TITLE)

Right of Way No. 821 was issued effective February 20, 1963, for a perpetual term, to the Bureau of Land Management ("BLM"), for a road. The legal description is as follows:

Township 12 South, Range 9 East, SLB&M

Section 16: SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ (Within)

A 100-foot right of way for the construction of a 20-foot, gravel-surfaced road to be constructed from U.S. Highway 50-6 in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 16, T12S, R9E, SLB&M; thence Southerly through the SW $\frac{1}{4}$ to the South line of said Section 16, as shown on the attached plat.

The easement administrator has had this legal description reviewed by the GIS Group.

The property underlying this right of way was subsequently exchanged to the BLM via Exchange No. 47. The property was conveyed via Patent No. 18244 on November 30, 1965. Because the right-of-way grantee acquired title to all of the servient property underlying the right of way, the right of way has terminated by merger of title. Carbon County. School Fund.

This item was submitted by Mr. Scott Bartlett for record-keeping purposes.

RIGHT OF WAY NO. 2520 (PARTIAL TERMINATION OF RIGHT OF WAY BY MERGER OF TITLE, PARTIAL TRANSFER OF RIGHT OF WAY TO BUREAU OF LAND MANAGEMENT AND PARKS AND RECREATION)

Right of Way No. 2520 was issued effective June 14, 1983, for a perpetual term, to the predecessor of PacifiCorp dba Rocky Mountain Power, for a 69kV electric transmission line. The legal description is as follows:

An easement for a 69kV electric transmission line 50 feet in width, 25 feet on either side of the centerline on trust lands described as follows:

Township 42 South, Range 16 West, SLB&M

Section 2: N $\frac{1}{2}$ S $\frac{1}{2}$ (Within)

Beginning on the South boundary line of the Grantor's land at a point 1335 feet North and 1350 feet West, more or less, from the Southeast Corner of Section 2, T42S, R16W, SLB&M, thence N 46°24' W 184.5 feet, thence S 88°50' W 3403.7 feet, thence S 55°13' W 93.4 feet to the South boundary line of said land and being in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ and the N $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 2, containing 4.23 acres, more or less.

RIGHT OF WAY NO. 2520 (PARTIAL TERMINATION OF RIGHT OF WAY BY MERGER OF TITLE, PARTIAL TRANSFER OF RIGHT OF WAY TO BUREAU OF LAND MANAGEMENT AND PARKS AND RECREATION) (CONTINUED)

Township 42 South, Range 15 West, SLB&M
Section 8: Lots 11-14 (Within)

Beginning on the West boundary line of the Grantor's land at a point 895 feet South, more or less, from the West One-Quarter Corner of Section 8, T42S, R15W, SLB&M, and running thence South 50.5 feet, more or less, along said West boundary line, thence N 82°12' E 2117 feet, more or less, thence S 4°37' E 1053.7 feet; thence S 84°05' W 897.9 feet, thence S 5°55' E 50 feet, thence N 84°04' E 909.9 feet, thence S 4°37' E 63.1 feet, thence S 40°16' E 19 feet, thence N 85°23' E 10 feet, thence N 62°34' E 64.5 feet, thence N 39°44' E 10 feet, thence N 16°55' E 64.5 feet, thence N 39°44' E 10 feet, thence N 16°55' E 64.5 feet, thence N 5°55' W 10 feet, thence N 50°16' W 19 feet, thence S 84°05' W 63.1 feet, thence N 4°37' W 1082.1 feet, thence N 82°12' E 43.7 feet, thence N 38°48' E 19 feet, thence N 7°48' W 10 feet, thence N 29°30' W 46.2 feet, thence N 51°13' W 10 feet, thence N 72°55' W 46.2 feet, thence S 85°23' W 10 feet, thence S 38°48' W 19 feet, thence S 4°37' E 43.7 feet, thence S 82°12' W 2123.4 feet, to the point of beginning and being in Lots 11, 12, 13 and 14 of said Section 8, containing 5.11 acres, more or less.

Total area 9.34 acres, more or less.

The easement administrator has had this legal description reviewed by the GIS Group.

The property underlying this right of way within Section 8 was subsequently sold to a private landowner (C-24244, January 29, 1990). Patent No. 18899-A (January 26, 1990) was issued for the property. Per Washington County records, a small portion of that property was subsequently conveyed to PacifiCorp. As the right-of-way grantee has acquired title to the underlying servient property, that portion of the right of way has terminated by merger of title. The remainder of the underlying property within Section 8 was subsequently sold to the Bureau of Land Management ("BLM").

The property underlying this right of way within Section 2 was subsequently sold to the Division of Parks and Recreation (C-25681, April 11, 2003). Patent No. 19621 (April 25, 2003) was issued for the property.

As there is no other property included in the right of way, and because the right of way runs with the land, records should be noted to show that administrative jurisdiction of this right of way has been transferred to the BLM and the Division of Parks and Recreation, and that a portion of the right of way has terminated by merger of title. Washington County. School Fund.

This item was submitted by Mr. Scott Bartlett for record-keeping purposes.

SPECIAL USE LEASE AGREEMENTS

SPECIAL USE LEASE AGREEMENT NO. 1774 (THREE-YEAR REVIEW)

SULA 1774 is an industrial special use lease in the name of UPL Three Rivers Holdings, LLC, 116 Inverness Drive East, Suite 400, Englewood, CO 80112. The lease site is located in Uintah County. School Fund.

I. ANNUAL BASE RENTAL:

The three-year lease rental review date for this industrial lease is September 1, 2016. The authorized use of the subject property is the construction, operation and maintenance of a natural gas compressor station and a produced water disposal well known as the Three Rivers D SWD well.

SPECIAL USE LEASE AGREEMENT NO. 1774 (THREE-YEAR REVIEW) (CONTINUED)

The lease agreement stipulates that at the end of each three-year period the Agency may adjust the annual rental as it shall deem to be reasonably necessary using either of the following methods: (1) the rental increase may be tied to the percentage of increase in the CPI-U index over the review period, or (2) the Agency may make a preliminary appraisal of the lease premises and adjust the annual rental by multiplying the value of the subject property by the current prime rate.

After a preliminary analysis pursuant to Board policy, the value of comparable properties in the area has been estimated to be approximately \$500 per acre. Based on this analysis, it has been determined that an appraisal is not warranted and that the rental increase should be tied to the CPI-U index. Based on the change in the CPI-U index over the review period the annual rental will be increased from \$1,000 per year to \$1,030 per year, effective September 1, 2016. A certified notice was sent informing the lessee of this action. No response has been received from the lessee.

2. WATER DISPOSAL FEE:

The lease agreement provides for the payment of a water disposal fee for all noncompliant water disposed of in the disposal well. For the purposes of this lease, noncompliant water is defined as all water disposed of from all operations in connection with any development activities other than those under Mineral Lease No. 49319. The lease allows for an adjustment of the water disposal fee at the end of each three-year review period based on changes in market value, changes in established indices, or other factors deemed relevant by the Agency.

In order to determine whether an adjustment of the water disposal fee was warranted an evaluation of comparable leases of similar purpose and type was conducted. Based on this evaluation, it has been determined that the current water disposal fee of \$0.15 per barrel of noncompliant water is consistent with the highest rates charged in other comparable leases and that an adjustment of the fee is not warranted at this time. The water disposal fee will remain at \$0.15 per barrel for the next three-year period and will be reevaluated during the next lease review.

3. DUE DILIGENCE:

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

4. PROPER USE:

The leased premises are being used in accordance with the lease agreement.

5. ADEQUATE INSURANCE AND BOND COVERAGE:

The lessee has provided evidence of adequate insurance coverage. The lease allows for a bond to be required or increased at any time during the lease at the discretion of the Agency. The lessee has provided a bond in the amount of \$10,000 for this lease.

6. WATER RIGHTS AND WELLS:

There are no Agency-owned water rights associated with this lease.

7. ENVIRONMENTAL COMPLIANCE:

This lease was inspected and reviewed for environmental compliance on August 4, 2016, and has been rated as medium risk. There are several above-ground storage tanks on site that are used to store produced water, condensate, and various lubricants and other chemicals associated with the operation of the facility. There is no stained soil, unauthorized uses, or solid waste on the premises. The site appears clean and orderly. The environmental site inspection form is in the lease file.

SPECIAL USE LEASE AGREEMENT NO. 1774 (THREE-YEAR REVIEW) (CONTINUED)

8. GIS REVIEW:

The lease administrator has had the legal description for this lease reviewed by the GIS Group.

9. NEXT ASSESSMENT DATE:

The next assessment date will be September 1, 2019.

Upon recommendation of Mr. Chris Fausett, the Director approved the three-year review for SULA 1774.

SPECIAL USE LEASE NO. 1589 (RELEASE OF BOND)

On the Director's Minutes dated August 19, 2013, page 14, the Director accepted Cash Bond No. SULA 1589-02 in the amount of \$5,000.00 submitted by Wesco Operating Inc. for Special Use Lease No. 1589 (SULA 1589).

SULA 1589 was held by Wesco Operating, Inc., 120 South Durbin Street, Casper, WY 82602, for the purpose of constructing a well pad for the Two Horse Butte #42-32 well, which was drilled from the School and Institutional Trust Lands Administration ("SITLA") surface estate into federal mineral estate. The well has been plugged and abandoned and the well pad has been reclaimed to the Agency's satisfaction. At the lessee's request, SULA 1589 was terminated on the Director's Actions dated July 26, 2016.

Since the lease has been terminated and the well pad reclaimed, the lessee has requested that the bond be released and returned.

Upon recommendation of Mr. Chris Fausett the Director approved the release of Cash Bond No. SULA 1589-02 in the amount of \$5,000 that was provided for SULA 1589.

SPECIAL USE LEASE AGREEMENT NO. 1632 (BOND ACCEPTANCE AND RELEASE)

National Fuel Corporation, 8400 E. Prentice Ave. #735, Greenwood Village, CO 80111, has submitted Cash Bond No. SULA 1632-01 in the amount of \$5,000, effective August 11, 2016, for Special Use Lease No. 1632 (SULA 1632). SULA 1632 was issued effective March 1, 2009, for the purpose of operating a well pad for the Horse Point State #13-1 well, which was drilled from School and Institutional Trust Lands Administration ("SITLA") surface estate into federal mineral estate. This bond will remain in full force and effect until released by SITLA.

Corporate Surety Bond No. LPM8961267, in the amount of \$5,000, issued by Fidelity and Deposit Company of Maryland, is hereby released. Grand County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director accepted Cash Bond No. SULA 1632-01 submitted by National Fuel Corporation, and approved the release of Corporate Surety Bond No. LPM8961267.

SPECIAL USE LEASE AGREEMENT NO. 1405-OBA (CORRECTION OF DIRECTOR'S ACTIONS DATED JULY 5, 2016)

On the Director's Actions dated July 5, 2016, page 23, the Director approved Amendment No. 3 to Special Use Lease Agreement No. 1405-OBA (SULA 1405-OBA). SULA 1405-OBA was issued effective April 15, 2005 to Wasatch Regional Landfill, Inc., 675 South Gladiola Street, Salt Lake City, UT 84104, for the purpose of operating a Class V commercial landfill in Tooele County. School Fund.

The Director's Actions incorrectly listed the total acreage of the lease as 1,791.663 acres. The actions should be corrected to list the total acreage as **2,507.64**.

Upon recommendation of Mr. Chris Fausett, the Director approved the above correction to the Director's Actions dated July 5, 2016.

SALES

ASSIGNMENT (CERTIFICATE OF SALE NO. 25456)

Robert Goble and Deborah Goble, Joint Tenants of the above-mentioned certificate of sale, residing at 3530 North 2300 East, Layton, UT 84040, have requested permission to assign 100% of their interest to Marilyn Kihara, 4900 Rocky Road, El Sobrante, CA 94803. The \$250 assignment fee has been paid.

Township 13 North, Range 5 East, SLB&M
Section 7: SE4NE4

Containing 40.00 acres, more or less

Rich County School Fund

Upon recommendation of Ms. Diane Lund, the Director approved the assignment of Certificate of Sale No. 25456 from Robert Goble and Deborah Goble to Marilyn Kihara.

PREDESIGNATIONS

PREDESIGNATION NO. 839 (MEMORANDUM OF UNDERSTANDING FOR THE MANAGEMENT AND MAINTENANCE OF THE WOOD HILL TRAIL SYSTEM – APPROVAL)

The Bureau of Land Management ("BLM"), Price Field Office, 125 South 600 West, Price, UT 84501; Carbon County, 751 East 100 North, Price, UT 84501; and the Agency propose to enter into a Memorandum of Understanding (the "MOU") regarding the management and maintenance of the Wood Hill Trail System. The Wood Hill Trail System is a system of non-motorized and multiple use trails located on BLM and trust lands in Carbon County, Utah. The trails traverse the following parcels of trust land:

Township 14 South, Range 10 East, SLB&M
Section 2: Lots 3&4, S½NW¼, SW¼
Section 3: Lots 1-4, S½, S½N½
Section 4: Lots 1-4, S½, S½N½
Section 9: NE¼, NE¼SE¼

PREDESIGNATION NO. 839 (MEMORANDUM OF UNDERSTANDING FOR THE MANAGEMENT AND MAINTENANCE OF THE WOOD HILL TRAIL SYSTEM – APPROVAL) (CONTINUED)

The trails included in the MOU are more particularly depicted on a map exhibit which will be attached to and incorporated within the MOU document. The legal description has been reviewed by the GIS Group.

COUNTY: Carbon

ACRES: 1,800.20 m/l

FUND: School

The Wood Hill Trail System traverses approximately 11.81 miles of the above-referenced parcels of trust land. The system consists of a series of existing trails which have been in place for many years and are popular with the public. The large majority of the trail system is comprised of single-track mountain biking trails. The main portion of the trail system is located on adjacent federal lands. On June 5, 2015, the BLM officially designated the portion of the system located on BLM lands as open for recreational use. Also, effective September 1, 2014, the Agency issued Easement No. 1885 to Carbon County for a trailhead staging area associated with the trail system.

Under the MOU, the Agency agrees to keep the portion of the trail system located on trust lands open for non-commercial public use, provided that the agency may, in its sole discretion, restrict access to, re-route, terminate or otherwise alter any of the trails on trust lands at any time on a temporary or permanent basis. The parties acknowledge that the public use of any of the above-referenced trust lands may be withdrawn or limited at any time by the Agency.

The BLM and Carbon County will be responsible for the management, maintenance, and upkeep of the trail system. Maintenance activities would be very low impact and would be performed by hand crews, mostly consisting of keeping the trails clear from brush, rocks, and other debris. Any significant modification to the trail system on trust lands including re-routing trails, constructing new trails, or widening existing trail corridors will require the written permission of the Agency and will require that appropriate protocols such as cultural resource clearances be tended to. The Agency assumes no responsibilities with regard to trail maintenance and management.

The Agency intends to erect information signage at the trailhead to inform users about the Agency's rights regarding withdrawal and/or limitation of public use on the trust lands as discussed above.

Participating in this MOU in no way affects or limits future actions or development authorized by the Agency on the included trust lands. Any party to the MOU may terminate the MOU by giving 30-days written notice to the other parties. The MOU is a non-binding agreement and will remain in place until terminated by one or more of the parties.

Since the trails involved in this MOU are existing trails and the MOU does not authorize any additional ground disturbance, a cultural resource survey was not required and review by the Resource Development Coordinating Committee ("RDCC") was not required.

Upon recommendation of Mr. Chris Fausett, the Director approved Predesignation No. 839.

DEVELOPMENT ACTIONS

DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 (P-20224-10-4)

THE FOLLOWING SUBDIVISION SALE HAS BEEN APPROVED AND A PATENT ISSUED PURSUANT TO MASTER BUILDER AGREEMENT DEVL 1007:

PATENT NO.: 20224-10-4
PATENT DATE: July 28, 2016
CERTIFICATE OF SALE NO.: 26547
DATE OF SALE: March 16, 2012
PROJECT: Coral Canyon Black Ridge Lots
PROJECT CODE: SUNCR 004 02
PROJECT MANAGER: Kyle Pasley
SUBDIVISION NO.: 10.A
FUND: School
COUNTY: Washington
TAKE DOWN LOT PRICE: \$80,000
BOARD NOTIFICATION DATE: June 10, 2010

BUYER:

JACK FISHER COSTRUCTION OF SOUTHERN UTAH, LLC
1148 West Legacy Crossing Boulevard
Centerville, UT 84014

DESCRIPTION OF TRANSACTION:

The buyer intends to construct a residence on the lot for the purpose of selling it to a third-party purchaser. The lot will initially be sold for a take-down price of \$80,000. Upon sale to a third-party purchaser the buyer will make a true up payment that brings the total price up to \$100,000 or 25% of the total home price, whichever is higher.

LEGAL DESCRIPTION: (SUBDIVISION LOT)

Township 42 South, Range 14 West, SLB&M; Section 18

All of Lot 4 of Highland Park Phase 1 Subdivision at the Coral Canyon Community, according to the plat of record on June 19, 2006, as Entry No. 20060026420, records of Washington County, Utah.

Containing 0.35 acre, more or less.

The above legal description has been reviewed by the GIS Group.

MINERAL RESERVATIONS:

Subject to a reservation to the State of Utah, for the benefit of the State and its successors in interest, assigns, permittees, licensees and lessees from time to time, all coal and other mineral deposits, along with the right for the State or other authorized persons or entities to prospect for, mine, and remove such deposits, and subject to a prior reservation to the United States of all oil and gas.

DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 (P-20224-10-4) (CONTINUED)

SURFACE RESERVATIONS:

Subject to the Amended and Restated Residential Declaration of Covenants, Conditions and Restrictions for Coral Canyon, as recorded on April 3, 2002, as Entry 759602, Book 1459, Pages 1213-1268, as amended.

Subject to an easement across the property for utilities as shown on the recorded plat map.

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, subject to exceptions and reservations contained in federal patents and clear lists, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

This item was submitted for record-keeping purposes by Ms. Alexa Wilson.

DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 (P-20224-10-112)

THE FOLLOWING SUBDIVISION SALE HAS BEEN APPROVED AND A PATENT ISSUED PURSUANT TO MASTER BUILDER AGREEMENT DEVL 1007:

PATENT NO.:	20224-10-112
PATENT DATE:	July 28, 2016
CERTIFICATE OF SALE NO.:	26547
DATE OF SALE:	March 16, 2012
PROJECT:	Coral Canyon Black Ridge Lots
PROJECT CODE:	SUNCR 004 02
PROJECT MANAGER:	Kyle Pasley
SUBDIVISION NO.:	10.A
FUND:	School
COUNTY:	Washington
TAKE DOWN LOT PRICE:	\$73,036
BOARD NOTIFICATION DATE:	June 10, 2010

BUYER:

JACK FISHER COSTRUCTION OF SOUTHERN UTAH, LLC
1148 West Legacy Crossing Boulevard
Centerville, UT 84014

DESCRIPTION OF TRANSACTION:

The buyer intends to construct a residence on the lot for the purpose of selling it to a third-party purchaser. The lot will initially be sold for a take-down price of \$73,036. Upon sale to a third-party purchaser the buyer will make a true up payment that brings the total price up to \$91,295 or 21% of the total home price, whichever is higher.

LEGAL DESCRIPTION: (SUBDIVISION LOT)

Township 42 South, Range 14 West, SLB&M; Sections 7 & 18

All of Lot 112 of Highland Park Phase 1 Subdivision at the Coral Canyon Community, according to the plat of record on June 19, 2006, as Entry No. 20060026420, records of Washington County, Utah.

Containing 0.35 acre, more or less.

DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 (P-20224-10-112) (CONTINUED)

The above legal description has been reviewed by the GIS Group.

MINERAL RESERVATIONS:

Subject to a reservation to the State of Utah, for the benefit of the State and its successors in interest, assigns, permittees, licensees and lessees from time to time, all coal and other mineral deposits, along with the right for the State or other authorized persons or entities to prospect for, mine, and remove such deposits, and subject to a prior reservation to the United States of all oil and gas.

SURFACE RESERVATIONS:

Subject to the Amended and Restated Residential Declaration of Covenants, Conditions and Restrictions for Coral Canyon, as recorded on April 3, 2002, as Entry 759602, Book 1459, Pages 1213-1268, as amended.

Subject to an easement across the property for utilities as shown on the recorded plat map.

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, subject to exceptions and reservations contained in federal patents and clear lists, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

This item was submitted for record-keeping purposes by Ms. Alexa Wilson.

ACTIONS CONTAINING FEE WAIVERS

None

TRUST ACCOUNTING ACTIONS

INTEREST RATES

Following are the current and past year prime rates:

CURRENT YEAR:	3.50%
ONE YEAR AGO:	3.25%

Separately, a late penalty of 6% or \$30, whichever is greater, shall be charged after failure to pay any financial obligation, excluding royalties as provided in R850-5-300(2), within the time limit under which such payment is due.

Interest on delinquent royalties shall be based on the prime rate of interest at the beginning of each month, plus 4%.